CRAFT Procurement

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Project CRAFT file

CRAFT PROCUREMENT

Four basic options have been identified for the acquisition of
equipment to support Project CRAFT:

STAT

(2) Procure the CRAFT requirement on a sole-source basis
from Wang;

(3) Procure the CRAFT system competitively; and

(4) Combine the CRAFT requirement into the competitive·
procurement of an Agency-standard word processor.

None of the options clearly excels over the others, regardless of the
criteria used to make a decision; each option has benefits and draw-
backs. Nevertheless, one option must be selected. To assist in the
decision making process, the following methodology is suggested.

The four options in fact reflect two decisions. The first, and
of most interest to the Offices of Communications and Data Processing
and the Information Management Staff, is a determination of the most
appropriate approach to standardization of word processors. Only after
that decision is made does the question of sole-source or competitive
procurement become operable. That the immediate issue at hand is
standardization should be apparent. Options 1 and 2 are based on a
requirement for commonality between the DDO Headquarters and overseas
components   Option 3   STAT
narrows the requirement to compatibility between DDO Headquarters and
overseas elements. Option 4 expands option 3 to a requirement for
commonality among all CIA locations and components. Listed below are
the benefits that accrue from standardization in general. Once these

benefits have been identified, the value of each benefit for each option can be assessed. Structuring the analysis in this fashion should help in the comparison of the options. Note that no conclusion is drawn from the analysis; that action belongs to the decision makers.

BENEFITS OF STANDARDIZATION

Economy-

Initial procurement: There is a general assumption that a single procurement for multiple items yields lower unit and total cost than mulitple procurements for the same items. The larger the procurement (more units purchased), the larger the savings.

Maintenance: Rationale is similar to that for initial procurement. Larger buys should drive down unit costs for spare equipment, components, and parts. Large quantities of units supported also lowers the allocated unit cost for test equipment. Standard equipment lessens training requirements for maintenance personnel and improve worker productivity.

Software Development: Large scale procurement justifies the expense of custom software and lowers the prorated software cost per unit. It is also assumed that standard software can be developed with less lead time than special software for a variety of equipment.

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Training: The fewer the various types of equipment in use, the less the requirement to train operations personnel as they move through rotational positions. Cost include action training cost plus the loss of productive time during training.

System Utilization-

Operating personnel will be able to transfer and build on their skills with word processing equipment with standard systems. As skills improve, individuals can more fully exploit the potential of the systems. With non-standard systems, the emphasis is on re-building skills rather than enhancing them.

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Responsiveness to requirements-

Generally, systems under the control of the ultimate user are more capable of being directed to the changing requirements and the special requirements of the user. As systems grow larger to encompass more diverse users, the time-consuming coordination process tends to deliver compromise solutions. Both the timeliness and matching of requirement to solution are essential to provide DDO with flexibility.

Control-

The degree to which the user can allocate resources and make decisions that affect his use of the system. Control also relates to the ability to prevent unwanted developments in the system.

	WEIGHT	OPTION 1	OPTION 2	OPTION 3	OPTION 4
INITIAL COST					
IOC					
SOFTWARE DEV					
MAINTENANCE (Materiel)					
MAINTENANCE (Personnel)					
COMMO INTERFACE					
TRAINING					
UTILIZATION					
RESPONSIVENESS					
CONTROL					
						25X1
SECURITY					
COMPETITION					

INITIAL PROCUREMENT COST - It is assumed that volume buys result in lower unit cost.

INITIAL OPERATING CAPABILITY - How soon can the systems be deployed and in use?

SOFTWARE DEVELOPMENT - How extensive and expensive is the requirement for software development?

MAINTENANCE (MATERIEL) - Does the selected option have an impact on the cost of test facilities and spare equipment?

MAINTENANCE (PERSONNEL) - Are skilled personnel (staff or contractor) more readily available to perform preventive maintenance and repairs?

COMMUNICATIONS INTERFACE - How many interface systems must be supported overseas and at Headquarters?

TRAINING - To what extent does a system affect training costs and require retraining of personnel?

UTILIZATION - Are systems potentials more apt to be fully exploited because of the transferrability of user skills?

RESPONSIVENESS TO USER REQUIREMENTS - Are smaller, decentralized systems (DDO v. Agency v. State) better able to respond to changing user requirements than larger systems?

CONTROL - How well can the user predict and control the direction of hardware and software development?

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SECURITY - Does the option affect the risk of a security breach to hardware, software, or data?

COMPETITION - Is the option supportive of the government and Agency policy of competitive procurements?

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